



MICHIGAN INFRASTRUCTURE OFFICE

Federal Funding for Decarbonization in Michigan

Governor Whitmer remains committed to reducing Michigan's carbon emissions through the [MI Healthy Climate Plan](#) goal of achieving economy-wide carbon neutrality by 2050. The **Bipartisan Infrastructure Law (BIL)** and **Inflation Reduction Act (IRA)** provide a once-in-a-generation opportunity to support, accelerate, and ease decarbonization efforts nationally, and in the Great Lakes State. In addition to numerous programs supporting the energy transition, these laws include three key programs to support state's climate efforts: the **Greenhouse Gas Reduction Fund (GGRF)** and **Carbon Pollution Reduction Grants (CPRG)** opportunities from the IRA, and the **Carbon Reduction Program (CRP)** from the BIL.

"The science is clear – climate change is directly impacting our public health, environment, our economy, and our families."
- Governor Gretchen Whitmer

Greenhouse Gas Reduction Fund

The **IRA** provides funding for the **Greenhouse Gas Reduction Fund** opportunity, a first-of-its-kind, national-scale program. This program represents a \$27 billion investment to mobilize financing and private capital to address the climate crisis, ensure our country's economic competitiveness, and promote energy independence while delivering lower energy costs and economic revitalization to communities that have historically been left behind.

The funds will be distributed between three separate programs under the GGRF umbrella:

- \$14 billion for the **National Clean Investment fund competition**, which will fund 2–3 national nonprofit clean financing institutions capable of partnering with the private sector to provide accessible, affordable financing for tens of thousands of clean technology projects across the country.
- \$7 billion as part of the **Solar for All program**, which will award up to 60 grants to states, territories, Tribal governments, municipalities, and nonprofits to expand the number of low-income and disadvantaged communities primed for residential solar investment—enabling millions of low-income households to access affordable, resilient, and clean solar energy.
- \$6 billion for the **Clean Communities Investment Accelerator**, which will provide grants to 2–7 hub nonprofits that will, in turn, deliver funding and technical assistance to build the clean financing capacity of local community lenders working in low-income and disadvantaged communities—so that underinvested communities have the capital they need to deploy clean technology projects.

Coordinated by staff within the Office of Climate and Energy, Michigan's department of Environment, Great Lakes, and Energy is working with stakeholders and other state staff to



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ensure that Michigan maximizes the amount of funding it receives. Michigan's fair share of the funding, proportionally by population, equates to roughly \$810 million.

Climate Pollution Reduction Grants

Also from the **IRA**, the **Climate Pollution Reduction Grants program** will provide grants to states, local governments, tribes, and territories to develop and implement plans for reducing greenhouse gas emissions and other harmful air pollution. Section 60114 of the Inflation Reduction Act provides an investment of \$5 billion to support efforts by states, municipalities, air pollution control agencies, tribes, and groups thereof to develop and implement strong, local greenhouse gas reduction strategies. This two-phase grant program provides funding of \$250 million for noncompetitive planning grants, and \$4.6 billion for competitive implementation grants.

As part of this opportunity, Michigan's Office of Climate and Energy is overseeing efforts to further build upon the MI Healthy Climate plan and to utilize federal funding in service of implementing many of the strategies and key actions the plan recommends. Announced by Governor Whitmer in 2020, The MI Healthy Climate Plan has ensured that Michigan is well positioned to efficiently and effectively pursue the implementation funds provided by the CPRG. Michigan's proportional share of funding from this program is roughly \$140 million.

Carbon Reduction Program

The Bipartisan Infrastructure Law's Carbon Reduction Program (CRP) supports the Governor's carbon neutrality goal through approximately \$168 million over 5 years in expected funding for projects designed to reduce transportation emissions and develop state carbon reduction strategies. Projects funded by the Carbon Reduction Program can include: developing state carbon reduction strategies, implementing traffic flow technologies designed to reduce congestion, improving public transportation, and establishing or maintaining transportation alternatives.

In cooperation with other state departments and agencies, the Michigan Department of Transportation (MDOT) is developing its **Carbon Reduction Strategy** and **Resilience Improvement Plan**. The CRP Strategy is directed at reducing MDOT's transportation greenhouse gas emissions and Michigan's overall carbon footprint. The Resiliency Plan will present a method to reduce natural hazard risk and increase resilience of transportation system assets. Both initiatives will support key elements of the **MI Healthy Climate Plan** and **MI Future Mobility Plan**, as well as support the carbon reduction goals set out in the Bipartisan Infrastructure Law.

Local Projects

The Carbon Reduction Program has so far funded **over 30 local projects** throughout Michigan, including improved traffic systems to construction and maintenance of bike and non-motorized pathways. Here is a sample of CRP funded projects:



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- [Smiths Crossing Road and Bridge](#) Project: Closed to all forms of traffic in 1989, this historic bridge once served as a crucial southern link between Midland and Saginaw, offering transport over the Tittabawassee river. Once completed, Smiths Crossing will serve as a connector to (and part of) the extensive Iron Belle Trail. Funds from CPR will help support this project and the expansion of this beloved Michigan trail, that extends more than 2,000 miles from the western tip of the Upper Peninsula to Belle Isle in Detroit.
- Ann Arbor Streetlight Project: CPR funds will help Ann Arbor replace antiquated streetlights with prime sustainable LED lights improving energy efficiency and lighting. Ann Arbor has long worked on [converting streetlights to LED](#). CPR funds will help in further advancing this established goal of efficiency and sustainability.
- [MoGo Bikeshare Project](#): CPR funds will help expand MoGo Bikeshare in Detroit. This is a bike share system operating in Detroit that provides affordable sustainable transportation across the area.
- CRP is funding projects across the entirety Michigan. Projects are currently underway in counties including: Midland, Washtenaw, Genesee, Kalamazoo, Ottawa, Allegan, Berrien, Calhoun, Ingham, Kent, Saginaw, Jackson, Muskegon, Bay, and Wayne.

How Carbon Reduction Benefits Michiganders

- Efficient and climate-friendly transportation, accessible to all.
- Improved land, water, and air quality.
- Enriched environmental health and protection of Great Lakes and forests.